GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:4189
ANSWERED ON:17.12.2002
SUGGESTIONS OF SCOPE ON DISINVESTMENT
MAHBOOB ZAHEDI

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether SCOPE opposed the privatisation of profiteering public sector undertakings;

(b) if so, the details thereof;

(c) whether they consider that without going in for management transfer, more freedom in management functioning is essential;

(d) whether is it also a fact that the Government want to collect Rs.15000 crore through privatisation from the industrialists who are to pay their loans of Rs.11 lakh 16 thousands crore to the Banks and Financial Institutions, which amounts to 73% of the total outstanding NPAs; and

(e) if so, whether an annual recovery of 10% - 20% of the outstanding loans would stand more than the sale proceeds of the shares?

Answer

MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINIST
COMMERCE & INDUSTRY (SHRI ARUN SHOURIE)

(a) &(b) No, Sir. The Standing Conference of Public Enterprises in a Memorandum on Disinvestment in Public Sector Undertaking prepared in September 2000 indicated that they are broadly in consonance with the frame work of disinvestment except with respect to the disinvestment of navaratna and mini-navaratna enterprises, which the SCOPE felt were globally competitive.

(c) Yes, Sir. This view has been expressed by SCOPE.

(d) The target for disinvestment is fixed on an annual basis. The target for the year 2002-03 is Rs.12,000 crore. Disinvestment is done only after verifying the eligibility of interested parties in accordance with the guidelines issued by Ministry on 13th July, 2001.

(e) The recovery of NPAs of the Banks and Financial Institutionsis an independent issue and has no relationship with the target for sales realisation through disinvestment.